

CALIFORNIA GAMBLING CONTROL COMMISSION  
300 CAPITOL MALL, SUITE 300, SACRAMENTO, CA 95814  
P.O. BOX 526013, SACRAMENTO, CA 95852-6013  
(916) 322-3095 · FAX (916) 322-5441  
WWW.CGCC.CA.GOV

### **Commission Meeting Minutes**

744 P Street  
Sacramento, CA 95814  
November 7, 2001, 9:30 a.m.

***Notice: The order of business reflected in the Notice and Agenda is subject to change by the Commission at the meeting.***

### **OPEN SESSION**

Chairman Hensley called the meeting of November 7, 2001, to order at 9:35 a.m. with Chairman Hensley and Commissioners Sasaki, Smith, and Palmer present.

Staff Present: Gary Qualset, Deputy Director Licensing and Compliance Division; Cara Podesto, Manager, Application Section; Peter Melnicoe, Chief Counsel; and Herb Bolz, Senior Legal Counsel and Regulations Coordinator.

The Pledge of Allegiance was recited.

Commissioner Sasaki moved to approve the October 24, 2001, Commission Meeting Minutes. Commissioner Smith seconded the motion, which was adopted unanimously.

### **DECISION ITEMS**

1. Applications for Cardroom Work Permits:
  - a. Empire Sportsmen's Association:  
Hernandez, Rosanne
  - b. Jok-Erz Wild Casino:  
Salvadori, April

Deputy Director Qualset indicated that both the Division of Gambling Control and Commission staff recommend approval of Item 1, sub-items a. – b. Commissioner Sasaki moved to approve Item 1, sub-items a. – b. Commissioner Smith seconded the motion, which was adopted unanimously.

2. Applications for Renewal of State Gambling License:
  - a. Dealers Choice Cardroom: Philip Hawkins & David Monforte,  
a General Partnership.
  - b. Harold's Casino: Harold Willey, Sole Proprietor.
  - c. Outlaws Card Parlour: Alfred & Dora Brown, Sole Proprietors.
  - d. Players Club: Monica Donohoo, Sole Proprietor.

Deputy Director Qualset recommended that Item 2. sub-items a. – d. be discussed separately, which was approved by the Commission.

Deputy Director Qualset stated that he wanted to recognize Commission staff's diligence and hard work in preparing items for the Commission meeting, and Chairman Hensley indicated that the Commissioners concurred. Deputy Director Qualset also indicated that in response to Commissioners request Commission staff has forward to the Division of Gambling Control a request to have the Division provide the Commission with the criteria used for review of license applications.

Deputy Director Qualset indicated that both the Division of Gambling Control and Commission staff recommends approval of Item 2a. Chairman Hensley moved to approve Item 2a. Commissioner Palmer seconded the motion, which was adopted unanimously.

Deputy Director Qualset indicated that Item 2b., Harold's Casino, license had expired on October 31, 2001. This item was not heard on an earlier calendar because the payment of fees was not received until October 31, 2001. Since the fees for renewal were paid and there were no other issues, the Casino was allowed to continue operation until the Commission could act. Deputy Director Qualset further stated that Commission staff would proceed to develop regulations to indicate when fee payments must be paid in order to renew license without interruption to prevent future occurrences. Deputy Director Qualset indicated that both the Division of Gambling Control and Commission staff recommends approval of Item 2b., effective November 1, 2001. Commissioner Sasaki inquired what the current fee status was, in which Deputy Director Qualset responded that the license renewal fees have been paid. Commissioner Sasaki moved to approve Item 2b. Commissioner Palmer seconded the motion, which was unanimously adopted.

Deputy Director Qualset indicated that both the Division of Gambling Control and Commission staff recommends approval of Item 2c. Chairman Hensley moved to approve Item 2c. Commissioner Sasaki seconded the motion, which was adopted unanimously.

Deputy Director Qualset indicated that the Commission had previously approved a temporary 90-day license renewal for Item 2d., Players Club, to allow for the Division of Gambling Control to prepare a response to the Commissions request for additional information regarding a civil action against the owner of the Club. Deputy Director Qualset further indicated that although the Division of Gambling Control recommended approval of the license renewal, Commission staff recommends approval of an additional temporary 90-day license to allow time to resolve issues contained in the initial report that have not yet been reviewed by the Division of Gambling Control. Commissioner Smith stated that the reason the Commission must make a decision on a second temporary renewal is because the Division of Gambling Control did not review all of the facts surrounding the civil suits. Commissioner Smith also suggested that the Commission staff inform the Division of Gambling Control in writing that the Commission cannot act upon a request where there is no review of facts.

Commissioner Sasaki inquired whether issues regarding financial status have been clarified, which Deputy Director Qualset indicated the financial concerns had been resolved.

Bill Craft, General Manager, Players Club, approached the Commission and stated that restitution was resolved. He further stated the civil case was sealed after litigation was completed because minors were involved, and the case was against the owner not the business. Commissioner Smith stated in response to Mr. Craft that the Division of Gambling Control has not provided the Commission with these facts and that the Commission has not received enough relevant information from the Division of Gambling Control to act upon a decision at present.

Commissioner Palmer moved to approve an additional temporary 90-day license. Commissioner Smith seconded the motion, which was unanimously adopted.

3. Cardroom's Request to Operate Additional Authorized Tables:
  - a. Commerce Casino: Thirty (30).

Deputy Director Qualset indicated that Item 3a., Commerce Casino, was previously granted a temporary approval to operate 30 additional tables. Deputy Director Qualset further indicated that staff has concerns with the frequency of repeated request to operate tables on a temporary basis. Deputy Director Qualset stated that both the Division of Gambling Control and Commission staff recommends an approval to operate additional authorized tables and that Commission staff anticipate receipt of a report of recommendation from the Division of Gambling Control by year-end for this cardroom. Commissioner Palmer questioned whether Commission Counsel concurred that this was in compliance with the Gambling Control Act. Chief Counsel Peter Melnicoe stated that local ordinance provides for the operation of 300 tables, and that he would refer to licensing regarding this specific instance. Deputy Director Qualset indicated that to his knowledge this did not violate any provisions in the Act. Commissioner Palmer moved to approve a request to operate 30 additional tables. Commissioner Sasaki seconded the motion, which was unanimously adopted.

4. Emergency Regulations Concerning Temporary Work Permits for Cardroom Personnel (Gambling Control Act).

Commissioner Sasaki announced that this was the Commission's first regulation to be submitted for adoption and that it progressed rather smoothly.

Herb Bolz, Senior Legal Counsel and Regulations Coordinator, recommended approval of: (1) Text; (2) Finding of Emergency; (3) Delegation of Authority concerning Title 4, California Code of Regulations, sections 12100, 12102, 12104, 12106, 12108, 12110, 12120, emergency regulations regarding Temporary Work Permits – Change in Place of Employment. Mr. Bolz explained to the Commission that, if approved, the regulation package will be filed with the Office of Administrative Law, which has ten days to approve/disapprove the regulations. Mr. Bolz further explained that after the Office of Administrative

Law's approval of the emergency regulations, the Commission will need to file notice with the Office of Administrative Law for permanent adoption because the emergency regulations will remain in effect for a total of 120 days. Mr. Bolz then provided the Commission with a oral summary of the Finding of Emergency document and each section contained in the regulation text. Commissioner Smith stated that the purpose of these regulations was to simplify and speed-up the process of issuing work permits. Commissioner Sasaki requested that Mr. Bolz explain the Finding of Emergency regarding the proposed regulations. Mr. Bolz responded that under the Administrative Procedure Act the regulations meet one of the statutory requirements because of the need to prevent economic hardships to cardrooms and their employees, who need employment. Chairman Hensley announced that these prospective regulations were the result of testimony concerning cardroom owners' hardships in their ability to retain employees. Commissioner Palmer asked whether cardroom employees will be required to wear a badge and where in the regulations is the section pertaining to badges, which in response Commissioner Sasaki stated that since these were emergency regulations that all provisions may not be included. Commissioner Palmer asked if the Commission will issue the badges and if so will the Commission need special equipment to prepare the badges. In response Manager Podesto stated that the Commission has procured equipment and is currently reviewing software for creating badges. Commissioner Sasaki inquired whether the regulations will be on the Commission website, which Mr. Bolz confirmed that they would. Mr. Bolz then asked the Commission if it wanted to hear public comment and Chairman Hensley confirmed that the meeting was open for public comment.

Public comment concerning the proposed regulations opened with Rod Blonien who commended the Commission's efforts in developing these regulations. Mr. Blonien commented that he had one issue of concern regarding the issuing of temporary work permits for employees who transfer to another employer. Mr. Blonien explained that in the regulation text there was a provision for the time-frame in which the Commission could either issue or deny a temporary work permit, however no such provision existed for the issuing of temporary work permits when an employee transferred to another place of employment. Commissioner Sasaki inquired whether a 15 day time-frame for processing temporary work permits could be included in the regulation text for employees who transferred to another place of employment. Deputy Director Qualset indicated that the Commission hopes to develop a time-frame for processing work permits for employee transfers, however presently this was not possible because these permits are also under the jurisdiction of local governments in which it is necessary to obtain a local permit prior to being issued a permit from the Commission. Commission staff will evaluate the time-frame required for processing temporary work permits.

Michael Sabotia asked the Commission for clarification of a time-line when the regulations are expected to take effect. Mr. Bolz stated in response that the regulations, if approved by the Commission, would be submitted to the Office of Administrative Law on Friday, November 9, 2001, which has ten day to approve the regulations and if approved would be filed with the Secretary of State.

Commissioner Sasaki indicated that if the regulations were approved that they would become effective approximately on November 20, 2001.

Commissioner Sasaki moved to approve the (1) Text; and (2) Finding of Emergency concerning Title 4, California Code of Regulations, sections 12100, 12102, 12104, 12106, 12108, 12110, 12120, emergency regulations regarding Temporary Work Permits – Change in Place of Employment, and (3) the Delegation of Authority: Resolved by the California Gambling Control Commission that Commission Chair John Hensley is hereby authorized pursuant to Government Code section 11343(f) to sign certifications required by Government Code section 11343; and also authorized to sign all other forms required to obtain OAL approval of the regulations; and hereby authorized to submit the notice of proposed action to OAL to make the emergency regulations permanent. Commissioner Smith seconded the motion, which was unanimously adopted.

Mr. Bolz indicated to the Commission that it would be preferable if the Commission would approve the Finding of Emergency separately. Commissioner Sasaki moved to adopt the (2) Finding of Emergency concerning Title 4, California Code of Regulations, sections 12100, 12102, 12104, 12106, 12108, 12110, 12120, emergency regulations regarding Temporary Work Permits – Change in Place of Employment. Commissioner Smith seconded the motion, which was unanimously adopted.

## **PUBLIC COMMENT**

Chairman Hensley opened the meeting for public comment.

Stephanie Nishikawa, News Reporter for Channel 13 News, asked the Commission if they would comment on their thoughts regarding the proposal for a casino in West Sacramento. Chairman Hensley stated that the Commission had not received any information on the proposed West Sacramento casino and that the Commission had no comments. Chief Counsel Melnicoe stated that the proposal for a casino in West Sacramento was not included in the November 7, 2001, meeting agenda and therefore would be inappropriate to discuss because there had been no public notice.

## **CONSENT CALENDAR ITEMS**

None.

## **CLOSED SESSION**

Chairman Hensley announced that the Commission would be going into closed session and would reconvene in one hour. At 10:25 a.m., the Commission adjourned to closed session after Commission Counsel stated that there was a change to the close session in that personnel issues under Government Code Section 11126(a)(1) would take place, and there would be no discussions concerning litigation under Government Code Section 11126(c) and 11126(e).

## **RECONVENE OPEN SESSION**

Chairman Hensley reconvened the open session at 11:25 a.m., indicated there were no announcements and that the next Commission Meeting will be held on November 20, 2001. Commissioner Sasaki moved to adjourn the meeting. Commissioner Palmer seconded the motion, which was adopted unanimously; the meeting was adjourned at 11:27 p.m.